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MINERALS PROGRAM
FILE COPY**MINING LEASE**
DIVISION OF
OIL, GAS & MINING

Lease made 27 January, 1989, between Max Cooper,  doing business at Route 1, Box 47, Oakley, Cassia County, Idaho, herein referred to as lessor, and IDAHO QUARTZITE CORPORATION (IQC), a corporation organized under the laws of the State of Idaho, doing business at P.O. Box 1657, Boise, Ada County, Idaho 83701, herein referred to as lessee.

Lessor, in consideration of the agreements set forth herein to be kept and performed by lessee, and of the payment of royalties by lessee as provided herein, and subject to the terms, conditions and provisions contained herein, leases to lessee the following described real property:

UTAH MINERAL LEASE 43106
TOWNSHIP 10 NORTH, RANGE 16 WEST OF THE SALT LAKE
MERIDIAN, BOX ELDER COUNTY, UTAH

SECTION 2: SE 1/4 SE 1/4

for the purpose of quarrying, removing and marketing therefrom all desirable quartzite stone.

SECTION ONE**TERM OF LEASE**

The initial term of this lease shall be for a period ending on June 1, 1989. On June 2, 1989, Max Cooper, at his option, shall commence quarry operations for the summer months. At the conclusion of this period, or sooner upon mutual agreement, IQC may recommence operations until December 31, 1989. This agreement will be automatically extended in a like manner from year to year unless cancelled by either party in writing.

SECTION TWO

ROYALTIES

Lessee shall pay to lessor, as royalty ten dollars (\$10.00) per ton for each ton of 2000 pounds of stone. The quantity shall be determined after the materials are loaded in trucks. A royalty deposit of \$1000 shall be made at the commencement of operations, and royalties shall be paid at the end of each month for all materials extracted that month.

Lessee shall forward to lessor monthly reports showing the quantity of materials removed during the preceeding month, according to load tickets, with dates of loading. Such reports shall be forwarded to lessor by the fifteenth (15th) day of the month following any month in which materials are removed. It is understood that during certain months of the year it may be impracticable to remove materials because of weather conditions; no report shall be required for any month during which no materials have been removed.

Lessee agrees to keep a strict and accurate record of stone removed from the leased premises, and lessor shall have the privilege at reasonable times of examining the mining procedures and checking the books and records of lessee for the purpose of verifying the amount of royalties payable.

SECTION THREE

SURFACE RIGHTS OF LESSEE

Lessee may clear brush and undergrowth from such portions of the leased premises as may be reasonably necessary to explore for materials or to locate pits, quarries, and stockpile areas. In order to obtain access to the leased premises, and to carry on its operations hereunder, lessee shall have the right to make use of the existing road which enters the premises from the southeast corner. Lessee specifically agrees not to build or use any additional roads without first obtaining the written consent of lessor.

Lessee may install such buildings, machinery and equipment as may be useful in connection with its operations hereunder provided the same is removed at the termination of this lease without damage or waste to the premises.

SECTION FOUR

PROTECTION AND RESTORATION OF SURFACE

In digging pits for the purpose of producing and removing stone, lessee agrees to make separate stockpiles of topsoil and of waste substances. Lessee agrees that on completion of the removal of stone from quarries or pits that have been dug on the premises, lessee will, to its best ability, place any unused waste substances back into the pits or quarries from which such substances and materials were removed, with topsoil placed on top.

SECTION FIVE

PAYMENT OF TAXES

Lessor agrees to pay all real estate taxes and all royalty fees due the State of Utah, levied against the leased premises before the same becomes delinquent. In the event lessor fails to pay such taxes, lessee may, at its option, pay any such taxes and assessments as may be levied against the premises, and deduct the amount of such payments, together with any penalties or interest required to be paid, from any amount thereafter due to lessor hereunder.

SECTION SIX

INDEMNIFICATION OF LESSOR

Lessee agrees to indemnify lessor against liability on all claims for damages and injuries to persons (excepting employees of lessor) or property that are claimed to have resulted from the activities or omissions of lessee or its agents or employees during the term hereof.

SECTION SEVEN

DEFAULT BY LESSEE

In the event any default occurs in the performance of any term or condition of this lease by lessee, lessor shall have the right to give a thirty (30) day notice in writing to lessee, demanding the correction or removal of such default. In the event lessee fails to correct or remove such default within such period, lessor may, at its option, terminate this lease. If this lease is terminated by lessor pursuant to

this section, lessor shall have no further rights or remedies against lessee except the forfeiture of this lease. Lessee shall have thirty (30) days after such termination, weather permitting, within which to remove any buildings, structures, or equipment placed on the leased premises by lessee.

SECTION EIGHT

EFFECT OF AGREEMENT

This lease shall inure to the benefit of and shall be binding on the heirs, legal representatives, successors and assigns of the parties.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written.

Max Cooper

Max Cooper

Attest:

Myrna Cooper

Idaho Quartzite Corporation

By Donald Peck
President

Attest:

Justine E. Tabor
Secretary

STATE OF IDAHO)
) ss
County of Cassia)

On this 25th day of January, 1988, before
me, the undersigned, a Notary Public in and for said State,
personally appeared MAX COOPER, known to me to be the person
who executed the foregoing instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and seal
the day and year last written above.

Robyn W. Fehlman
Notary Public for Idaho
Residing at Oakley, Id

Commission
Expires 8-15-91

STATE OF IDAHO)
) ss
County of Ada)

On this 22 day of January, 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared DONALD G. SEEHUSEN, known or identified to me to be the President of the Idaho Quartzite Corporation, the corporation that executed the instrument, and the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year last written above.

Barbara Ann Spill
Notary Public for Idaho

Residing at Boise, id

Commission
Expires 7/16/92